

General Announcement::Announcement by CDL Hospitality Trusts, an associate of Millennium & Copthorne Hotels plc

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	16-Nov-2018 17:41:09
Status	New
Announcement Sub Title	Announcement by CDL Hospitality Trusts, an associate of Millennium & Copthorne Hotels plc
Announcement Reference	SG181116OTHLRRI
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	<p>CDL Hospitality Trusts, an associate of Millennium & Copthorne Hotels plc has issued the announcement relating to the Acquisition and Lease of Hotel Cerretani Florence, MGallery by Sofitel in Italy to Singapore Exchange Securities Trading Limited on 16 November 2018.</p> <p>For details, please refer to the announcement posted by CDL Hospitality Trusts on the SGX website, www.sgx.com.</p>

Asset Acquisitions and Disposals::Acquisition and Lease of Hotel Cerretani Florence, MGallery by Sofitel in Italy

Issuer & Securities

Issuer/ Manager	M&C REIT MANAGEMENT LIMITED
Securities	CDL HOSPITALITY TRUSTS - SG1T66931158 - J85
Stapled Security	Yes

Other Issuer(s) for Stapled Security

Announcement Details

Announcement Title	Asset Acquisitions and Disposals
Date & Time of Broadcast	16-Nov-2018 17:38:47
Status	New
Announcement Sub Title	Acquisition and Lease of Hotel Cerretani Florence, MGallery by Sofitel in Italy
Announcement Reference	SG181116OTHRMUT5
Submitted By (Co./ Ind. Name)	Soo Lai Sun
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	<p>Please see the attached documents on the Acquisition and Lease of Hotel Cerretani Florence, MGallery by Sofitel in Italy by CDL Hospitality Real Estate Investment Trust:</p> <p>1) Announcement;</p> <p>2) Press Release on "CDL Hospitality Trusts Marks Maiden entry into Italy through the acquisition of Hotel Cerretani Florence, MGallery by Sofitel; and</p> <p>2) Presentation Slides.</p>

Attachments	<p>📎 Announcement Acquisition of Hotel Cerretani Florence MGallery by Sofitel.pdf</p> <p>📎 CDLHT Press Release Acquisition of Hotel Cerretani Florence MGallery by Sofitel.pdf</p> <p>📎 CDLHT Presentation Acquisition of Hotel Cerretani Florence MGallery by Sofitel Final.pdf</p> <p>Total size =2096K</p>
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CDL HOSPITALITY TRUSTS

A stapled group comprising:

CDL HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 8 June 2006 under the laws of the Republic of Singapore)

CDL HOSPITALITY BUSINESS TRUST

(a business trust constituted on 12 June 2006 under the laws of the Republic of Singapore)

ANNOUNCEMENT

**ACQUISITION AND LEASE OF HOTEL CERRETANI FLORENCE,
MGALLERY BY SOFITEL IN ITALY**

1. INTRODUCTION

M&C REIT Management Limited, as manager of CDL Hospitality Real Estate Investment Trust (“**H-REIT**”, and the manager of H-REIT, the “**H-REIT Manager**”) and M&C Business Trust Management Limited, as trustee-manager of CDL Hospitality Business Trust (“**HBT**”, and the trustee-manager of HBT, the “**HBT Trustee-Manager**”, and together with the H-REIT Manager, the “**Managers**”, and H-REIT and HBT together, “**CDLHT**”), are pleased to announce that DBS Trustee Limited, as trustee of H-REIT (the “**H-REIT Trustee**”), has today through its wholly-owned subsidiaries, CDLHT CFM One Pte. Ltd. (“**CFM1**”) and CDLHT CFM Two Pte. Ltd. (“**CFM2**” and together with CFM1, the “**Purchasers**”), entered into an agreement (the “**Sale and Purchase Agreement**”) with Cooperative Redwood Grove International U.A. (“**Vendor One**”) and Galaren Invest B.V. (“**Vendor Two**” and together with Vendor One, the “**Vendors**”) in respect of the following acquisitions:

- (i) 90.0% of the issued share capital of Event Hospitality Group III B.V., a Dutch company registered in the Netherlands (“**FI Dutch HoldCo**” and the shares of FI Dutch HoldCo the “**FI Dutch HoldCo Shares**”) from Vendor One. FI Dutch HoldCo wholly-owns Event Hospitality Group III Italy SRL (“**FI HoldCo**”). The FI HoldCo in turn wholly-owns NKS Hospitality III SRL (“**FI PropCo**”), which is the legal owner of Hotel Cerretani Florence, MGallery by Sofitel and the fixtures, furniture and equipment therein (collectively, the “**Property**”);
- (ii) 5.0% of the issued share capital of FI Dutch HoldCo from Vendor Two which currently owns 10.0% of the issued share capital of FI Dutch HoldCo;
- (iii) the shareholder loan (including the accrued interest) which was granted to FI Dutch HoldCo by Vendor One (the “**Vendor One Loan**”); and
- (iv) 50.0% of the shareholder loan (including the accrued interest) which was granted to FI Dutch HoldCo by Vendor Two (the “**Vendor Two Loan**”).

(collectively, the “**Acquisition**”).

CFM2 will be acquiring the Vendor One Loan and the Vendor Two Loan from the Vendors and CFM1 will be acquiring the FI Dutch HoldCo Shares from the Vendors.

Upon completion of the Acquisition (“**Completion**”), CFM1 will own 95.0% of the issued share capital of FI Dutch HoldCo and Vendor Two will continue to own the remaining 5.0% of the issued share capital of FI Dutch HoldCo; and CFM2 will own the Vendor One Loan and the Vendor Two Loan. In addition, FI PropCo will grant a lease to FC Operations Hotel SRL (the “**Lessee**”) (which is affiliated to Vendor Two) in relation to the management and operation of the Property (see paragraph 2 for more details).

On Completion, CFM1 and CFM2 will inject funds of €8.2 million into FI Dutch HoldCo to discharge their *pro rata* share of an existing bank loan (the “**Bank Loan**”) between FI PropCo and Mediocredito Italiano S.p.A. secured by a mortgage over the Property (the “**Mortgage**”, and injection of funds, by CFM1 and CFM2, the “**Bank Loan Redemption**”). This amount, along with a further €2.6 million held by FI PropCo and a *pro rata* contribution from Vendor Two, shall be utilised to discharge the Bank Loan of approximately €11.2 million (including any such payables under the Bank Loan) and redeem the Mortgage shortly after Completion.

2. THE PROPERTY

The Property is a 4-star hotel situated on three freehold land plots located in Florence, Italy. The Property underwent an extensive phased refurbishment for approximately €5.3 million in 2016, including a full renovation of its 86 guest rooms, restaurant, bar and public areas.

Upon Completion, the Property will continue to be marketed under the “MGallery by Sofitel” brand pursuant to an existing franchise agreement with AccorHotels, a leading hotel group operating approximately 4,500 hotels in 100 countries¹. In addition, the Property will continue to be leased and operated by the Lessee which is affiliated to Vendor Two and EVENT Hotels. Vendor Two will continue to hold a 5.0% indirect interest in the Property through its remaining 5.0% shareholding of the issued share capital of FI Dutch HoldCo. Vendor Two is a subsidiary of EVENT Hotels, which is the largest fully integrated hotel management platform in Germany and owns, operates and manages 80 hotels with approximately 14,100 keys throughout Europe.

3. RATIONALE FOR THE ACQUISITION

3.1 Accretive Acquisition

The Managers are of the view that the Acquisition is accretive to the holders of Stapled Securities (the “**Stapled Security Holders**”) based on the pro forma historical basis on the distribution per Stapled Security (“**DPS**”) of CDLHT for the period from 1 January 2017 to 31 December 2017.

Based on the price of a 95.0% interest in the Property, being €40.6 million (approximately S\$63.6 million²)(the “**Property Price**”), the annualised net property income yield of the

1 Source: AccorHotels Website, accessed 8 November 2018 (<https://www.accorhotels.group/group/who-we-are/accorhotels-in-brief>).

2 Unless otherwise stated in this announcement, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5661.

Property for the nine months ended 30 September 2018 will be 4.6%³.

3.2 Hospitality Market with Growth Potential and High Barriers to Entry

Florence ranks amongst Italy's most visited cities and is famed for its UNESCO protected old town, numerous museums and galleries, as well as its Renaissance art and architecture. The city also has a strong fashion district where prime luxury brands including Roberto Cavalli, Salvatore Ferragamo, Gucci and Emilio Pucci are based in the greater Florence area⁴. There is also a vibrant exhibition and fair calendar including the "Pitti Immagine Uomo" – a biannual international fashion exhibition which attracted more than 30,000 visitors in June 2018⁵.

On the supply side, there is limited future room stock due to high barriers to entry stemming from new urban planning regulations prohibiting new hotel developments in the city centre⁶.

3.3 High Quality Asset with Exceptional Location

The Managers are of the view that the Acquisition is a rare opportunity to penetrate a highly sought-after market, and to own a recently refurbished asset with an excellent location in the heart of Florence's historic city centre.

The Property is within walking distance to many key tourist attractions including the Cathedral of Santa Maria del Fiore (Il Duomo), Ponte Vecchio, Uffizi Gallery and the Galleria dell'Accademia. The Property also boasts convenient accessibility, with the city's main train station within an 8-minute walk and Florence International Airport within a 25-minute drive. In addition, construction of a new tramway service to connect the city centre to the airport has been completed and tests are underway before official service commencement⁷, which will further enhance the city's connectivity.

3.4 Capitalising on Low Funding Environment in Europe

The Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the low funding environment in Europe to enjoy an attractive spread between the property yield and borrowing rates.

3.5 Broadening Earnings Base and Strengthening Portfolio through Diversification

The Property will provide Stapled Security Holders the benefit of geographical diversification through expanding CDLHT's foot print in Europe. The Acquisition is also expected to benefit Stapled Security Holders by broadening CDLHT's earnings base.

3 Based on the annualised net property income of the Property for the nine months ended 30 September 2018 of €1.9 million (approximately S\$2.9 million), as a percentage of the Property Price of €40.6 million (approximately S\$63.6 million). Taking into account the transaction costs of €1.6 million (approximately S\$2.6 million), the annualised net property income yield will be 4.4%. The Property Price and net property income figures provided are pro-rated based on a 95.0% interest in the Property.

4 Source: Hospitality Net, "In Focus: Florence, Italy", 13 March 2017

5 Source: Pitti Immagine Uomo, "PITTI IMMAGINE UOMO 94: FINAL FIGURES", 14 September 2018

6 Source: JLL Hotel Intelligence Florence March 2018

7 Source: HVS Valuation Report dated 8 November 2018

4. CERTAIN PRINCIPAL TERMS OF THE ACQUISITION

4.1 Purchase Consideration

Pursuant to the terms of the Sale and Purchase Agreement, the purchase consideration for the Acquisition of €33.0 million (approximately S\$51.7 million)⁸, (the “**Purchase Consideration**”) comprises:

- (i) €40.6 million (approximately S\$63.6 million), being the Property Price based on a 95.0% interest in the Property;
- (ii) payment of approximately €3.1 million (approximately S\$4.8 million) based on H-REIT’s 95.0% interest in the estimated net working capital and cash of the consolidated FI Dutch HoldCo group as at Completion; and
- (iii) less €10.7 million (approximately S\$16.7 million), being 95.0% of the total Bank Loan Redemption of €11.2 million (approximately S\$17.6 million).

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis following a tender exercise conducted by the Vendors, and took into account the independent valuation of the market value of the Property of €43.8 million (approximately S\$68.6 million) by an independent property valuer, HVS Global Hospitality Services (“**HVS**”), in its valuation report dated 8 November 2018.

A refundable deposit of 10.0% of the Purchase Consideration was paid by the Purchasers upon execution of the Sale and Purchase Agreement.

4.2 Estimated Total Acquisition Cost

The current estimated total cost of the Acquisition and the Bank Loan Redemption (“**Total Acquisition Cost**”) is approximately €42.9 million (approximately S\$67.2 million), comprising:

- (i) the Purchase Consideration of €33.0 million (approximately S\$51.7 million);
- (ii) the H-REIT Manager’s acquisition fee in respect of the Acquisition (the “**Acquisition Fee**”) under the H-REIT Trust Deed⁹ which amounts to €0.4 million (approximately S\$0.6 million);
- (iii) the estimated professional fees and other expenses incurred by H-REIT in connection with the Acquisition, which amount to approximately €1.2 million (approximately S\$1.9 million); and
- (iv) the Bank Loan Redemption of €8.2 million (approximately S\$12.9 million).

The Total Acquisition Cost of €42.9 million (including the Acquisition Fee) will be paid wholly in cash and will initially be funded either through internal sources or offshore debt or a combination of both.

8 The purchase consideration will be subject to post-completion adjustments based on actual net working capital and cash of the consolidated FI Dutch HoldCo group (“**Post-Completion Adjustments**”).

9 The trust deed constituting H-REIT dated 8 June 2006 as amended, varied and supplemented from time to time.

4.3 Other Agreements on Completion

The following agreements will become effective upon Completion:

4.3.1 Shareholders' Agreement

The shareholders' agreement entered into between CFM1 and Vendor Two on the date of this announcement, which sets out the parties' respective rights and obligations as shareholders of the FI Dutch HoldCo, will be effective upon completion.

4.3.2 Management Lease Agreement

The FI PropCo and the Lessee will enter into a management lease agreement in relation to the management and operation of the Property by the Lessee (the "**Management Lease Agreement**").

The term of the Management Lease Agreement will be for 20 years commencing from the date of Completion. The FI PropCo will receive rent of around 93.0% of the net operating profit of the Property, subject to a base rent of €1.3 million per annum. This arrangement will provide both downside protection and upside participation to FI PropCo.

4.3.3 Management Services Agreement

The FI PropCo, the Lessee, and the existing manager of the Property, Art Management GmbH, will enter into a management services agreement in relation to the management and operation of the Property (the "**Management Services Agreement**").

The term of the Management Services Agreement will be for 20 years commencing from the date of Completion, and will co-terminate upon the termination of the Lease Agreement. The Management Services Agreement will provide the FI PropCo with oversight over the Property's budget, information rights to the accounts of the Property, and veto rights over the appointment of key employees.

4.4 Incorporation and Constitution of Subsidiaries

The following subsidiaries have been established:

Name of Company	Country of Incorporation / Establishment	Issued and Paid Up Share Capital	Purpose
CDLHT CFM One Pte. Ltd.	Republic of Singapore	€2	Investment holding
CDLHT CFM Two Pte. Ltd.	Republic of Singapore	€2	Investment holding

5. VALUATION

The Managers and the H-REIT Trustee have commissioned an independent property valuer, HVS, to value the Property. HVS, in its valuation report dated 8 November 2018, stated that the market value of the Property is €43.8 million (approximately S\$68.6 million). HVS used the discounted cash flow methodology in arriving at its valuation of the Property.

6. FINANCIAL EFFECTS

The Acquisition is not expected to have any material impact on the net tangible assets, earnings per stapled security or DPS of CDLHT for the current financial year.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL STAPLED SECURITY HOLDERS

Based on the information available to the Managers as at the date of this announcement, none of the directors of the Managers and Substantial Stapled Security Holders have any interest, direct or indirect, in relation to the Acquisition.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Managers at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619¹⁰ from the date of this announcement up to and including the date falling three months thereafter:

- (i) Sale and Purchase Agreement; and
- (ii) the valuation report of the Property by HVS.

The H-REIT Trust Deed and HBT Trust Deed will also be available for inspection at the registered office of the Managers for so long as H-REIT and HBT are in existence.

BY ORDER OF THE BOARD

Vincent Yeo Wee Eng
Chief Executive Officer
M&C REIT Management Limited
(Company Registration Number 200607091Z)
as manager of CDL Hospitality Real Estate Investment Trust

BY ORDER OF THE BOARD

Vincent Yeo Wee Eng
Chief Executive Officer
M&C Business Trust Management Limited
(Company Registration Number 200607118H)
as trustee-manager of CDL Hospitality Business Trust

16 November 2018

¹⁰ Prior appointment with the Managers will be appreciated.

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Managers on future events.

While the Manager has taken reasonable actions to ensure that the information from the relevant sources cited in footnotes 1, 4, 5 and 6 are reproduced in their proper form and context, and that the information is extracted accurately and fairly from such sources, neither the Manager, nor any other party has conducted an independent review of the information contained in such sources or verified the accuracy of the contents of the relevant information.

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the H-REIT Manager, the HBT Trustee-Manager or any of their respective affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the H-REIT Manager and the HBT Trustee-Manager or any of their respective affiliates redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that the holders of Stapled Securities may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of CDL Hospitality Trusts is not necessarily indicative of the future performance of CDL Hospitality Trusts.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.



CDL HOSPITALITY TRUSTS

FOR IMMEDIATE RELEASE

16 November 2018

CDL HOSPITALITY TRUSTS MARKS MAIDEN ENTRY INTO ITALY THROUGH THE ACQUISITION OF HOTEL CERRETANI FLORENCE, MGALLERY BY SOFITEL



Singapore, 16 November 2018 – CDL Hospitality Trusts (“CDLHT” or the “Group”), a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust, has today announced the acquisition of a 95.0% interest in Hotel Cerretani Florence, MGallery by Sofitel (the “Property”) for €40.6 million (approximately S\$63.6 million¹)² at an annualised net property income yield of 4.6% for the nine months ended 30 September 2018. The purchase consideration will initially be funded either through internal resources or offshore debt or a combination of both. The acquisition is accretive on a pro forma historical basis for FY 2017, assuming CDLHT owned the Property for the period from 1 January 2017 to 31 December 2017. This is CDLHT’s maiden acquisition in the Renaissance city of Florence, Italy.

The freehold Property is a 4-star hotel under the “MGallery by Sofitel” flag with 86 rooms. The hotel has recently undergone an extensive phased refurbishment in 2016 for approximately €5.3 million, including a full renovation of all its guest rooms and public areas. HVS Global Hospitality Services (“HVS”), an independent valuer, has valued the Property (based on 100% basis) at €43.8 million (approximately S\$68.6 million).

Boasting an exceptional location in the heart of the historic city centre, the Property is within walking distance to world famous tourist attractions including the cathedral of Santa Maria del Fiore (Il Duomo), Ponte Vecchio, Galleria dell’Accademia, and the Uffizi Gallery, which houses some of the most important works of the Renaissance, such as those by Leonardo da Vinci, Botticelli and Michelangelo. The main train station is only an 8-minute walk from the Property while Florence International Airport is also easily accessible via a relatively short 25-minute drive. In addition, construction of a new tramway service to

¹ Unless otherwise stated in this press release, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5661

² €40.6 million (approximately S\$63.6 million) is the property price pursuant to H-REIT’s effective interest of 95.0% in the Property



CDL HOSPITALITY TRUSTS

connect the city centre to the airport has been completed and tests are underway before official service commencement³, which will further enhance the city's connectivity.

Florence ranks amongst Italy's top most visited cities and is famed for its UNESCO protected old town, numerous museums and galleries, as well as its art and architecture. The city also has a strong fashion district where prime luxury brands including Roberto Cavalli, Salvatore Ferragamo, Gucci and Emilio Pucci are based in the greater Florence area⁴. There is also a vibrant exhibition and fair calendar including the "Pitti Immagine Uomo" – a biannual international fashion exhibition which attracted more than 30,000 visitors in June 2018⁵. On the supply side, there is limited future room stock due to high barriers to entry stemming from new urban planning regulations prohibiting new hotel developments in the city centre⁶.

Mr Vincent Yeo, Chief Executive Officer of CDLHT's managers, said, "The acquisition of Hotel Cerretani Florence, MGallery by Sofitel, represents a rare opportunity for CDLHT to penetrate a greatly sought-after hospitality market with high barriers to entry. We have also furthered our strategy of capitalising on the window of opportunity afforded by the low funding environment in Europe while broadening the earnings base of our portfolio. With a robust balance sheet and ample debt headroom, we will continue to seek compelling acquisition opportunities."

Effective on completion, the Property will be leased and operated by the existing lessee based on a new management lease agreement for the next 20 years. The lessee is affiliated to the existing minority shareholder, which is part of the EVENT Hotels group, and will be staying in with a 5.0% (indirect) stake in the Property. EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages more than 80 hotels with approximately 14,100 keys throughout Europe. The lease structure provides both downside protection and upside participation where rent received is around 93% of the net operating profit of the Property, subject to a base rent of €1.3 million (approximately S\$2.0 million). The Property will also continue to be marketed under the "MGallery by Sofitel" brand pursuant to an existing franchise agreement with AccorHotels, a top leading hotel group operating approximately 4,500 hotels in 100 countries.

– ENDS –

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³ HVS Valuation Report dated 8 November 2018

⁴ Hospitality Net, "In Focus: Florence, Italy", 13 March 2017

⁵ Pitti Immagine Uomo, "PITTI IMMAGINE UOMO 94: FINAL FIGURES", 14 September 2018

⁶ JLL Hotel Intelligence Florence March 2018



CDL HOSPITALITY TRUSTS

About CDL Hospitality Trusts

CDL Hospitality Trusts (“CDLHT”) is one of Asia’s leading hospitality trusts with assets valued at S\$2.7 billion. CDLHT is a stapled group comprising CDL Hospitality Real Estate Investment Trust (“H-REIT”), a real estate investment trust, and CDL Hospitality Business Trust (“HBT”), a business trust. CDLHT was listed on the Singapore Exchange Securities Trading Limited on 19 July 2006. M&C REIT Management Limited is the manager of H-REIT, the first hotel real estate investment trust in Singapore, and M&C Business Trust Management Limited is the trustee-manager of HBT.

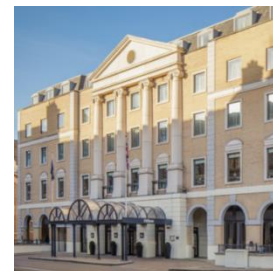
CDLHT was established with the principal investment strategy of investing in a portfolio of hospitality and/or hospitality-related real estate assets. As at 30 September 2018, CDLHT owns 15 hotels and two resorts comprising a total of 5,002 rooms as well as a retail mall. The properties under CDLHT’s portfolio include:

- (i) six hotels in the gateway city of Singapore (Orchard Hotel, Grand Copthorne Waterfront Hotel, M Hotel, Copthorne King’s Hotel, Novotel Singapore Clarke Quay and Studio M Hotel) as well as a retail mall adjoining Orchard Hotel (Claymore Connect);
- (ii) three hotels in Brisbane and Perth, Australia (Novotel Brisbane, Mercure Perth and Ibis Perth);
- (iii) two hotels in Japan’s gateway city of Tokyo (Hotel MyStays Asakusabashi and Hotel MyStays Kamata);
- (iv) one hotel in New Zealand’s gateway city of Auckland (Grand Millennium Auckland);
- (v) two hotels in United Kingdom (Hilton Cambridge City Centre in Cambridge and The Lowry Hotel in Manchester);
- (vi) one hotel in Germany’s gateway city of Munich (Pullman Hotel Munich); and
- (vii) two resorts in Maldives (Angsana Velavaru and Dhevanafushi Maldives Luxury Resort, Managed by AccorHotels (previously known as Jumeirah Dhevanafushi)).



CDL HOSPITALITY TRUSTS

Acquisition of
Hotel Cerretani Florence, MGallery by Sofitel
Italy
16 November 2018



Important Notice



CDL HOSPITALITY TRUSTS

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CDL Hospitality Trusts.

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An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the H-REIT Manager and/or the HBT Trustee-Manager redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of the Stapled Securities may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This presentation contains certain tables and other statistical analyses (the “Statistical Information”) which have been prepared by the H-REIT Manager and the HBT Trustee-Manager. Numerous assumptions were used in preparing the Statistical Information, which may or may not be reflected herein. As such, no assurance can be given as to the Statistical Information’s accuracy, appropriateness or completeness in any particular context, nor as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice.

Market data and certain industry forecasts used throughout this presentation were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by the H-REIT Manager or the HBT Trustee-Manager and neither the H-REIT Manager nor the HBT Trustee-Manager makes any representations as to the accuracy or completeness of such information.

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Executive Summary



Hotel Cerretani Florence, MGallery by Sofitel, Italy

- Accretive acquisition of a 95.0% interest ⁽¹⁾ in a freehold hotel
- 86-key, 4-star hotel in the heart of Florence city centre
- Lease structure with base rent and upside potential through variable rent
- Property Price (95.0% stake): €40.6 million (~S\$63.6 million ⁽²⁾)
- Price Per Key: ~€497K (~S\$778K) ⁽³⁾
- Annualised NPI Yield for YTD Sep 2018: ~4.6% ⁽⁴⁾
- Extensive refurbishment completed in 2016

- (1) Acquisition of a 95.0% interest in Hotel Cerretani Florence, MGallery by Sofitel (the “Hotel” or “Hotel Cerretani Florence”) and the fixtures, furniture and equipment therein (collectively, the “Property”)
- (2) Unless otherwise stated, all conversions are based on an assumed exchange rate of €1.00 = S\$1.5661
- (3) Based on 100% of the Property Price
- (4) Based on the annualised net property income (“NPI”) of the Property for nine months ended 30 Sep 2018 (“YTD Sep 2018”) of €1.9 million (approximately S\$2.9 million), as a percentage of the Property Price of €40.6 million (approximately S\$63.6 million). The Property Price and NPI figures provided are pro-rated based on a 95.0% interest in the Property.

Executive Summary (Con't)



CDL HOSPITALITY TRUSTS



1

Maiden entry into Italy with presence in Florence, strengthening CDLHT's portfolio through diversification

2

Exceptional location as Property is situated in the heart of the historic city centre with world-famous tourist attractions, good connectivity and transportation within walking distance

3

Rare opportunity to penetrate a highly sought-after market with growth potential

- Renaissance city of Florence has a unique status in the leisure and tourism markets in Italy due to its cultural and historical heritage
- High barriers to entry due to restrictions on new hotel supply

4

Accretive acquisition of a high quality asset with ~€5.3 million refurbishment completed in 2016

5

Lease structure offers both downside protection and upside participation



Overview of Transaction

Location

- Florence Airport is ~8km from the city centre and serves 31 international destinations ⁽¹⁾
 - Airport is easily reached from other Tuscan cities as it is just off the highway exits
- Florence is also accessible by Pisa Airport which serves 72 international destinations ⁽¹⁾
 - ~1 hour commute to Florence via train or bus
 - <90km drive via highway

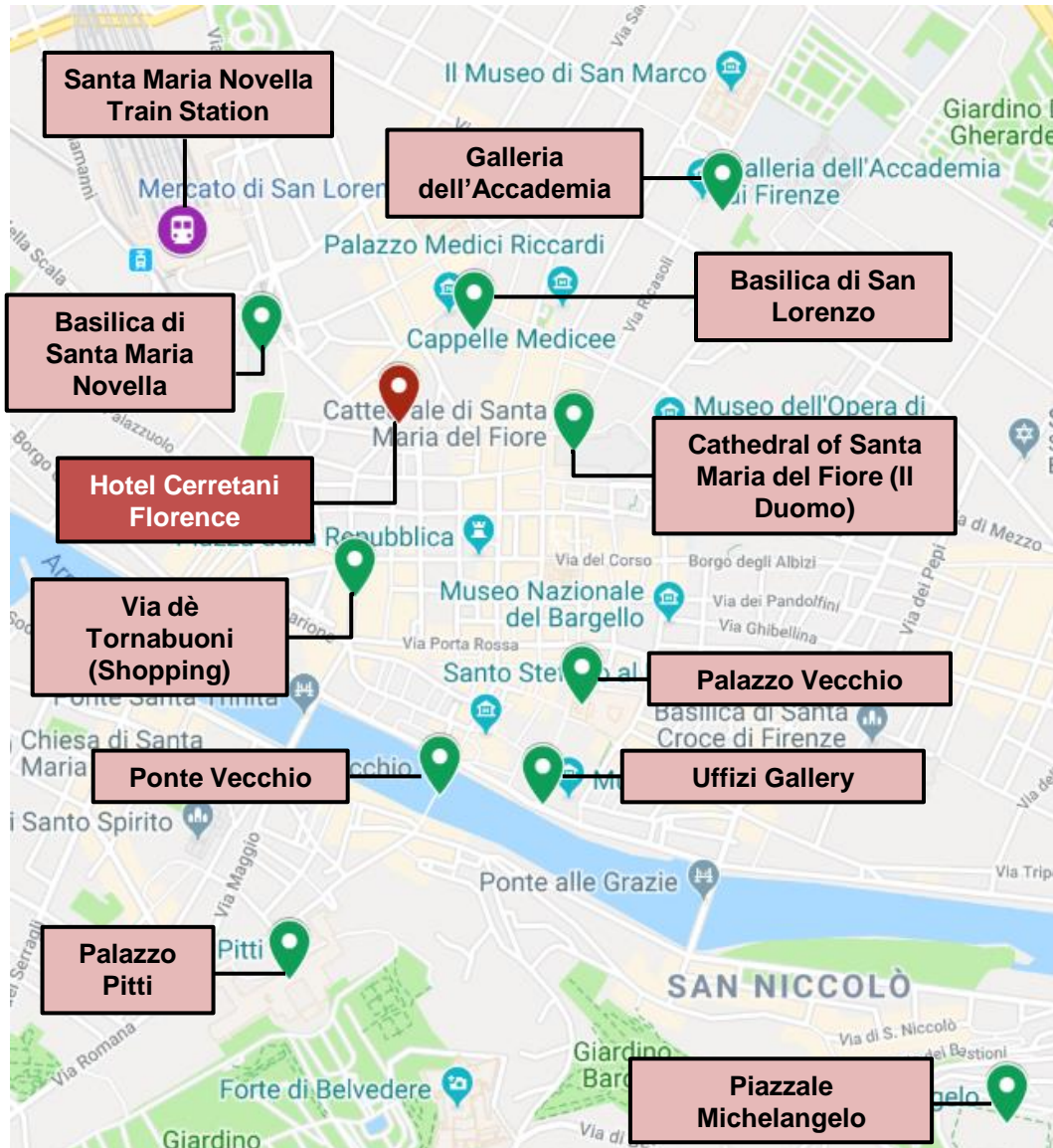
Renaissance City

- Florence ranks amongst Italy's top 5 most visited cities
- Famed for its UNESCO protected old town, numerous museums and galleries, as well as its Renaissance art and architecture
- World renowned masters of science and art, including Michelangelo, Brunelleschi, Da Vinci and Galileo are directly associated to Florence



(1) Toscana Aeroporti

Location of Hotel Cerretani Florence



Exceptional Location

- Within walking distance to many of the city's key attractions including:
 - Cathedral of Santa Maria del Fiore (Il Duomo)
 - Ponte Vecchio (symbolic bridge of Florence)
 - Galleria dell'Accademia (which houses David of Michelangelo)
 - Uffizi Gallery museum, which houses some of the most important works of the Renaissance period, such as those by Leonardo da Vinci, Botticelli and Michelangelo
 - Palazzo Vecchio
 - Basilica di Santa Maria Novella
 - Via de' Tornabuoni (high fashion boutiques)

Easy Access

- Situated in the heart of Florence city centre
- 600m (~8min) walk from main train station
- ~8km (~25min) drive from airport

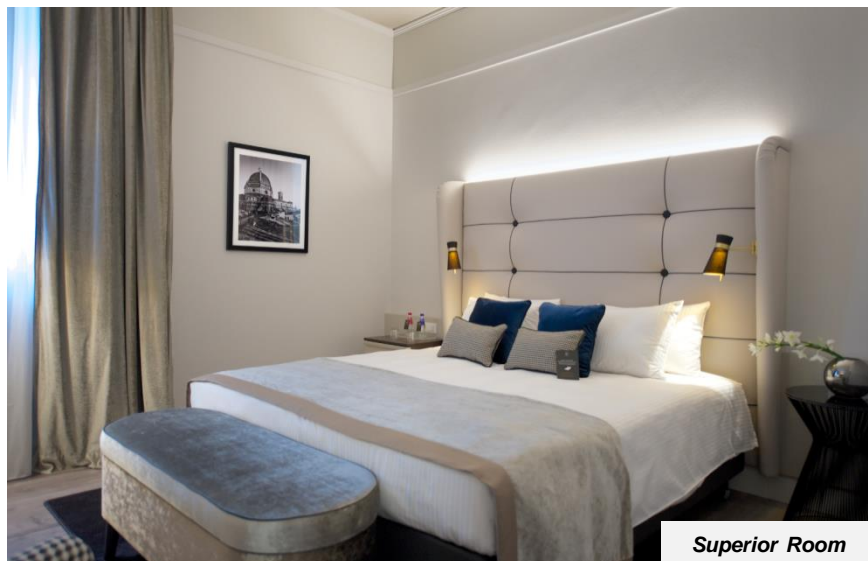
Description of Property and Transaction Details



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Bar



Superior Room

Property	Hotel Cerretani Florence, MGallery by Sofitel
Description	<ul style="list-style-type: none"> 4-star hotel under the “MGallery by Sofitel” brand
Location	<ul style="list-style-type: none"> Via de’ Cerratani 68, 50123 Florence, Italy
Title	<ul style="list-style-type: none"> Freehold
Rooms and Amenities	<ul style="list-style-type: none"> 86 rooms (weighted average room size ~24 sq m) 2 food and beverage outlets
Property Price (95.0% interest)	<ul style="list-style-type: none"> €40.6 million (~S\$63.6 million)
Price per key (100% basis)	<ul style="list-style-type: none"> ~€497K (~S\$778K) per key
Valuation ⁽¹⁾ (100% basis)	<ul style="list-style-type: none"> €43.8 million (~S\$68.6 million)
Encumbrances	<ul style="list-style-type: none"> Franchise Agreement with AccorHotels (~12 years unexpired term) Entering into new Management Lease with FC Operations Hotel SRL (“Lessee”), affiliated to EVENT Hotels
Term of Lease	<ul style="list-style-type: none"> 20 years commencing from completion date
Rent Payment	<ul style="list-style-type: none"> Around 93% of the net operating profit of the Property subject to a base rent of €1.3 million

(1) Valuation report dated 8 Nov 2018 by HVS Global Hospitality Services using the discounted cash flow method to arrive at its valuation of the Property

5.0% Minority Shareholder and Lessee



- The Property will be leased and operated by the existing lessee⁽¹⁾
- The Lessee is affiliated to the existing minority shareholder, which is part of the EVENT Hotels group, and will be staying in with a 5.0% (indirect) stake in the Property
- EVENT Hotels is the largest fully integrated hotel management platform in Germany which owns, operates and manages 80 hotels with approximately 14,100 keys throughout Europe
- The Property will also continue to be marketed under the “MGallery by Sofitel” flag pursuant to an existing franchise agreement with AccorHotels
 - AccorHotels is a top leading hotel group operating ~4,500 hotels in 100 countries⁽²⁾

(1) Upon completion, the new management lease agreement between an indirect subsidiary of CDLHT and the existing lessee will become effective.

(2) AccorHotels website, accessed 8 Nov 2018 (<https://www.accorhotels.group/group/who-we-are/accorhotels-in-brief>)



Investment Highlights



1 Accretive Acquisition

2 Hospitality Market with Growth Potential and High Barriers to Entry

3 High Quality Asset with Exceptional Location

4 Capitalising on Low Funding Environment

5 Broaden Earnings Base and Strengthen Portfolio through Diversification

1 Accretive Acquisition



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Hotel Cerretani Florence, MGallery by Sofitel



Façade



Suite

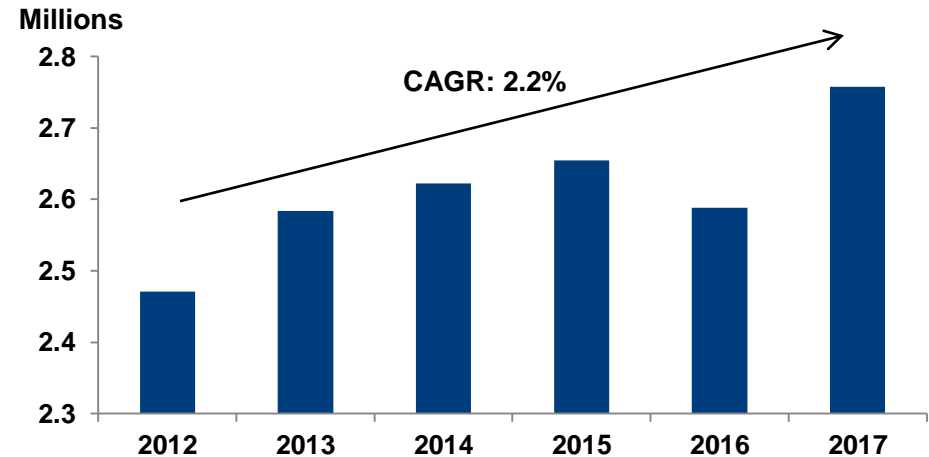
- Annualised NPI yield of the Property for YTD Sep 2018 is ~4.6%⁽¹⁾
- Acquisition is accretive on a pro forma historical basis for FY 2017, assuming CDLHT owned the Property for the period from 1 Jan 2017 to 31 Dec 2017⁽²⁾

(1) Based on annualised YTD Sep 2018 NPI of the Property of €1.9 million (approximately S\$2.9 million), as a percentage of the Property Price of €40.6 million (approximately S\$63.6 million). The Property Price and NPI figures provided are pro-rated based on a 95.0% interest in the Property.

(2) Based on the change of the pro forma DPS for FY 2017 of the enlarged portfolio over the DPS for FY 2017 of CDLHT



Total International Visitor Arrivals to Florence ⁽¹⁾



- Florence is a highly desirable tourist destination – famous for its culture, art and architecture, and monuments and is considered the birthplace of the Renaissance ⁽²⁾
- Presence of a strong fashion district where prime luxury brands (e.g. Roberto Cavalli, Salvatore Ferragamo, Gucci, Emilio Pucci) are based in the greater Florence area ⁽²⁾
- Vibrant exhibition and fair calendar including the “Pitti Immagine Uomo” biannual international fashion exhibition which attracted more than 30,000 visitors in Jun 2018 ⁽³⁾
- Total international visitor arrivals to Florence recorded a steady 2.2% CAGR for the past 5 years ⁽¹⁾
- Limited future hotel supply due to high barriers to entry from new urban planning regulations prohibiting new hotel developments in the city centre ⁽⁴⁾

(1) Provincia di Firenze

(2) Hospitality Net, “In Focus: Florence, Italy”, 13 Mar 2017

(3) Pitti Immagine Uomo

(4) JLL Hotel Intelligence Florence, Mar 2018

3 High Quality Asset with Exceptional Location



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**Hotel Cerretani
Florence,
MGallery by
Sofitel**

*Only a 3-minute
walk to Il Duomo*

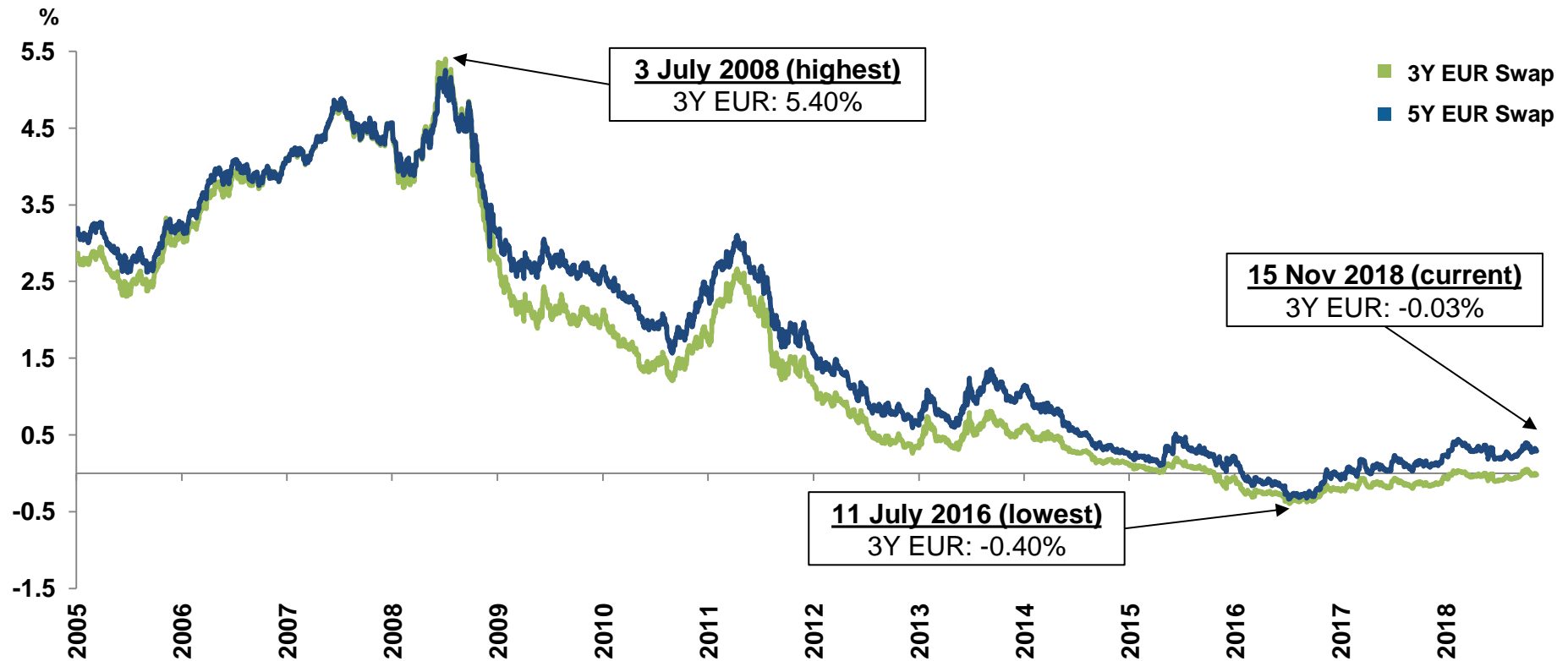
**Cathedral of Santa Maria del Fiore
(Il Duomo)**

Top tourist attraction in Florence

Rare Opportunity to Penetrate a Highly Sought-After Market

- A total of ~€5.3 million was invested towards a phased refurbishment for the Property in 2016, including a full renovation of its 86 guest rooms and public areas
- The Property benefits from an exceptional location where it is within walking distance to key tourist hotspots and key transportation nodes
- Construction of tramway service (Line 2) to connect the city centre to airport has been completed and tests are underway before official service commencement ⁽¹⁾, which will further enhance the city's connectivity

(1) HVS Valuation Report dated 8 Nov 2018

EUR Swap ⁽¹⁾

- Acquisition enables CDLHT to capitalise on the window of opportunity afforded by the extraordinarily low funding environment in Europe to enjoy a spread between the property yield and borrowing rates
- Acquisition will initially be funded either through internal sources or offshore debt or a combination of both

Broaden Earnings Base and Strengthen Portfolio through Diversification



Singapore	6 Hotels & 1 Retail Mall
Australia	3 Hotels
New Zealand	1 Hotel
Maldives	2 Resorts
Japan	2 Hotels
United Kingdom	2 Hotels
Germany	1 Hotel
Italy	1 Hotel

Total Rooms 5,088

Portfolio Valuation S\$2.7 billion

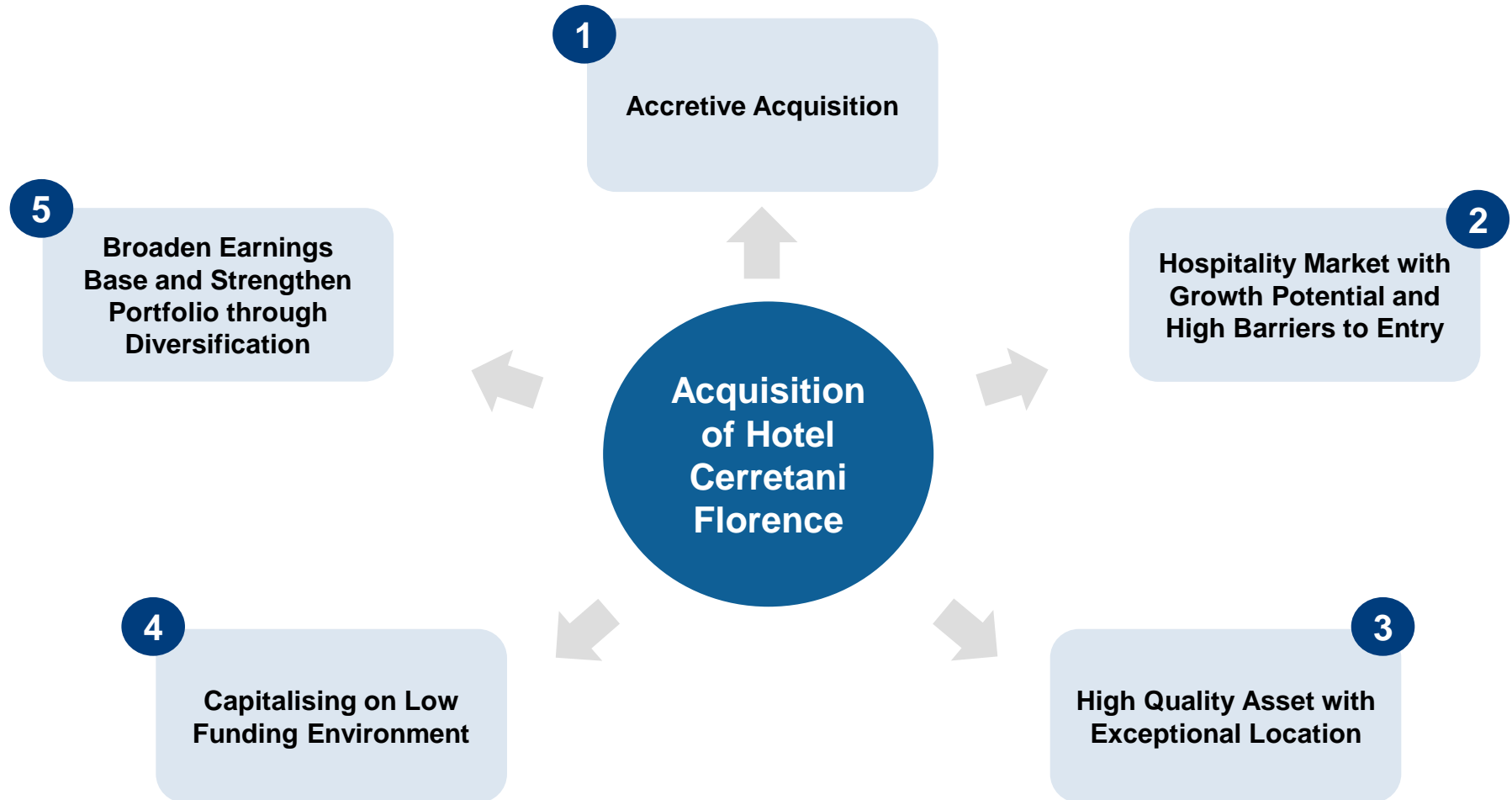


- Upon completion, total number of properties will increase to 19

Summary of Investment Highlights



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CDLHT is poised to benefit from the rare opportunity to secure a presence in a greatly sought-after market with high barriers to entry while capitalising on low funding cost



THANK YOU

